

SENATE BILL REPORT

HB 1789

As Reported By Senate Committee On:
Water, Energy & Telecommunications, March 30, 2007

Title: An act relating to minimizing the environmental threat caused by leaking home heating oil tanks.

Brief Description: Minimizing threats to the environment caused by leaking home heating oil tanks.

Sponsors: Representatives Kagi, Priest, Hunter, Jarrett, Dunshee, Orcutt, Linville, Strow, Dickerson, McCoy, B. Sullivan, Lantz, Hunt, Chase, Rodne and Schual-Berke.

Brief History: Passed House: 3/07/07, 94-0.

Committee Activity: Water, Energy & Telecommunications: 3/28/07, 3/30/07 [DP].

SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

Majority Report: Do pass.

Signed by Senators Poulsen, Chair; Honeyford, Ranking Minority Member; Delvin, Fraser, Holmquist, Marr, Morton, Oemig, Pridemore and Regala.

Staff: Sam Thompson (786-7413)

Background: The Washington Pollution Liability Insurance Agency (PLIA) assists owners and operators of heating oil tanks by offering reinsurance services to the insurance industry. PLIA may provide up to \$60,000 of insurance coverage for cleanup of contamination from active heating oil tanks registered in the program prior to the occurrence of contamination.

PLIA and its programs are funded from: a pollution liability fee imposed on dealers selling heating oil to a homeowner or consumer, which is deposited into the Heating Oil Pollution Liability Trust Account; and an excise tax on the wholesale value of petroleum, which is deposited into the Pollution Liability Insurance Program Trust Account (PLT Account). The excise tax is only imposed for a succeeding calendar quarter if the tax was levied the prior quarter and the PLT Account balance is less than \$15 million. The tax was most recently effective from July 1, 2003, through June 30, 2004.

In 2006, the Legislature extended expiration dates associated with PLIA to July 1, 2013.

Summary of Bill: PLIA must identify design criteria for heating oil tanks providing more superior protection against leaks than standard steel tank designs. Tank designs must include

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

fiberglass construction or provide at least an equivalent level of protection against leaks as a standard fiberglass design.

PLIA must reimburse an owner or operator the difference in price between a standard steel heating tank and a new tank satisfying the new design standards if the owner or operator:

- is participating in the PLIA program;
- experienced an occurrence or remedial action; and
- chooses or is required to replace an existing tank at the time of the action with a new tank satisfying the new design standards.

Reimbursement must be within the statutory \$60,000 per occurrence coverage limit.

The provisions are prospective and apply only to individuals filing a claim with PLIA on or after the effective date of the act.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The fiberglass heating oil tanks that this bill promotes are more leak-resistant than steel tanks, providing better protection to the environment. The bill strikes an appropriate balance between an incentive and a mandate.

Persons Testifying: PRO: Representative Kagi, prime sponsor; Charlie Brown, Pacific Northwest Oil Heat Council.